

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6287

BILL NUMBER: SB 25

DATE PREPARED: Feb 26, 2002

BILL AMENDED: Feb 25, 2002

SUBJECT: Fee Remission for Veterans' Children, University Bonding.

FISCAL ANALYST: Chuck Mayfield

PHONE NUMBER: 232-4825

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) This bill extends the public college and university tuition and fee remission program to children of veterans who, after June 30, 1999, serve during a war or perform hazardous duty.

The bill also allows the trustees of Indiana University to: (1) issue bonds to fund the costs of acquiring and renovating University Place Hotel; and (2) acquire and renovate University Place Hotel. It also allows bonding for medical research facilities associated with a school of medicine. (The introduced version of this bill was prepared by the Commission on Military and Veterans Affairs.)

Effective Date: July 1, 2002.

Explanation of State Expenditures: *Children of Veterans Fee Remission:* This bill would increase the level of statutory fee remissions for state-supported colleges and universities. The university's general fund absorbs the costs of fee remissions. Universities must provide statutory remissions first; the remainder of the money is discretionary. As statutory requirements increase, the level of discretionary dollars decreases.

The number of individuals for whom the expanded benefits of this provision could affect is indeterminable. Since current law provides benefit for service before July 1, 1999, the impact of the bill would probably be minor for the next ten years.

Background Information: In FY 2000, the average award for individuals who received fee remissions from state-supported institutions under the current Children of Disabled Veterans statute amounted to \$1,183.

Medical Research Facilities: The bill allows bonding for medical research facilities associated with a school of medicine if the facilities will generate revenue reasonably expected to at least equal the annual debt service requirements of the bond. The provision should have no state fiscal impact. The facilities would be

financed like university dormitories or health service facilities.

University Place Hotel: The bill also allows Indiana University to issue bonds up to \$30 M for the cost of acquisition and renovation of the University Place Hotel on the Indianapolis Campus. The bonds are not eligible for fee replacement, so there should be no state fiscal impact. The debt service payments would be about \$2.45 M per year on a 20-year bond at 5.25% interest.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Higher Education Institutions.

Local Agencies Affected:

Information Sources: Table VIII of State Appropriation Requests for 2001-03 for Indiana University, Ball State University, Indiana State University, Indiana University, Ivy Tech, Purdue University, University of Southern Indiana, Vincennes University.